



ALABAMA DEPARTMENT OF REVENUE
INDIVIDUAL AND CORPORATE TAX DIVISION
CORPORATE TAX SECTION

20C-CRE
6/00

P.O. Box 327430 • Montgomery, AL 36132-7430 • (334) 242-1200

Election To File Consolidated Corporate Income Tax Return

NAME OF AFFILIATED GROUP (COMMON PARENT AND SUBSIDIARIES)			FOR TAXABLE YEAR BEGINNING		
ADDRESS			Mo	Day	Yr
			FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN)		
CITY	STATE	ZIP	TELEPHONE NUMBER ()		

The above named affiliated group hereby elects to file a consolidated Alabama corporation income tax return. All members of the affiliated group understand and consent to the following as conditions of this election:

- The election is binding and irrevocable for a period beginning with the first month of the first taxable year for which the election is made and ending with the conclusion of the taxable year in which the 96th consecutive month expires.
- The Alabama affiliated group shall be treated as a single corporation for purposes of Chapters 18 and 27, Title 40, **Code of Alabama 1975**.
- Each member of the affiliated group is jointly and severally liable for the income tax liability and filing fee computed on the consolidated return for each year the election is effective.
- For each taxable year this election is in effect the consolidated return must include all corporations which are members of the affiliated group as defined by Section 1504(a) of the Internal Revenue Code and related regulations for that year.

Under penalties of perjury, I declare that the common parent corporation named above has authorized me to sign this form on behalf of all members of the affiliated group, and that I have examined this form and the information and instructions contained herein.

PRINT NAME AND PROVIDE SIGNATURE BELOW

SIGNATURE

TITLE

DATE

INFORMATION AND INSTRUCTIONS REGARDING THIS ELECTION

- Effective for taxable years beginning after December 31, 1998, an Alabama affiliated group filing or required to file a federal consolidated income tax return may elect to file an Alabama consolidated return for the same taxable year. See §5, Act 98-502, Acts of the Alabama Legislature, and §40-18-39(c)(1), **Code of Alabama 1975**.
- An Alabama affiliated group means a group of corporations that constitute an affiliated group as defined in 26 U.S.C. §1504, one or more members of which are subject to tax under §40-18-31, but shall not include corporations subject to the insurance premium license tax or the financial institution excise tax. See §40-18-39(b)(1).
- An Alabama consolidated return means an Alabama corporation income tax return filed by or on behalf of the members of an Alabama affiliated group. See §40-18-39(b)(2).
- This election must be submitted to the department on or before the due date of the tax return, including extensions, for the first taxable year for which the election is made in order to be valid. See §40-18-39(c)(4).
- **This form may be attached immediately behind a timely filed Alabama corporation income tax return (preceding all other supporting schedules and forms) or mailed to the Alabama Department of Revenue, Corporate Tax Section, P.O. Box 327900, Montgomery, AL 36132-7900 on or before the due date of the tax return, including any extensions. Use Form 20C "Alabama Corporation Income Tax Return."**

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**ATTACH THIS FORM DIRECTLY BEHIND FORM 20C "ALABAMA CORPORATION INCOME TAX RETURN"
FOR THE FIRST TAXABLE YEAR OF THIS ELECTION.**

- This election must be made by the common parent corporation as agent on behalf of all members of the Alabama affiliated group. See §40-18-39(c)(4).
- This election is binding on both the department and the Alabama affiliated group for the first month of the first taxable year for which the election is made and ending with the conclusion of the taxable year in which the ninety-sixth consecutive calendar month expires, except that the election shall terminate automatically upon the revocation or termination of its federal consolidated return election. See §40-18-39(c)(6).
- Foreign corporations that are members of an Alabama affiliated group electing to file an Alabama consolidated return and not otherwise subject to the business privilege tax levied by §40-14A-22 shall not become subject to the business privilege tax by virtue of being a member of an Alabama affiliated group filing an Alabama consolidated return. See §40-18-39(c)(2).
- An Alabama group making this election shall be treated as a single corporation. All transactions between and among members shall be eliminated in computing taxable income and in determining the property, payroll, and sales factors in accordance with §40-27-1. The tax liability of the Alabama affiliated group is determined by applying the rate specified in §40-18-31 to the taxable income of the group. The taxable income or loss of the group, and the business and nonbusiness income of each member, is computed and determined in accordance with this chapter and with the rules of allocation and apportionment under §40-27-1, Article IV, and department regulations. See §40-18-39(c)(3) and (5).
- An Alabama affiliated group making the election to file an Alabama consolidated return shall be assessed an annual fee based on the aggregate amount of total assets, determined in accordance with Treasury Department Form 1120. The fee is due and payable when the return is due, including any extensions. See §40-18-39(c)(7).
- If, in a taxable year preceding the filing of the first Alabama consolidated return for the Alabama affiliated group of which a corporation is a member, the corporation realized a gain or loss on a transaction, and the corporation was subject to tax under §40-18-31 in the year, and the transaction was treated as a deferred intercompany transaction for federal income tax purposes, and the transaction was not deferred for Alabama income tax purposes, then the taxable income and basis in the hands of the Alabama affiliated group shall be adjusted to reflect the different treatment of the transaction and any property acquired or disposed of in the transaction. See §40-18-39(g).
- If, in a taxable year before the corporation became a member of an Alabama affiliated group that has elected to file an Alabama consolidated return, the corporation incurred a net operating loss, the deductibility of the loss on the Alabama consolidated return shall be limited in accordance with the separate return limitation year (SRLY) rules contained in 26 U.S.C. §1502. See §40-18-39(h).